

## **Committee of Board of Directors**

In accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and Clause 49 of the Listing Agreement, as amended from time to time, the Board of Directors of JMT AUTO Limited has constituted the following Committees of the Board.

### **I. AUDIT COMMITTEE**

The terms of reference of the Audit committee include those specified under revised clause 49 of the Listing Agreement as well as under Section 177 of the Companies Act, 2013 such as

#### **Terms of Reference:**

##### **a) Composition :**

1. The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be independent directors.
2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
3. The Chairman of the Audit Committee shall be an independent director
4. The Company Secretary shall act as the secretary to the committee

In compliance with the above provision in mind the Composition of the Committee is as follows w.e.f 7th August 2020 :-

i.	Mr. Vivek Malik	: Independent Director	:	Chairman
ii.	Ms. Kanika Kapur	: Independent Director	:	Member
iii.	Mr. Sanjay Tiku	: Executive Director	:	Member

##### **b) Frequency of meetings :**

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.

##### **c) Quorum :**

Two members or one-third of the members of Audit Committee whichever is higher, but there should be a minimum of two independent members present.

##### **d) Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

e) **Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department,

reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**f. Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**g. Additional Terms**

1. The auditors of a company and the KMP shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

2. The Chairman of the Committee shall be present at the Annual General Meeting to answer Shareholders queries.

## **II. REMUNERATION & NOMINATION COMMITTEE :**

### **Terms of Reference:**

#### **a) Composition :**

1. The Remuneration & Nomination Committee shall have minimum three directors as members, all of whom shall be non-executive directors.
2. At least half of the members shall be independent directors.
3. Chairman of the Committee shall be an independent director.

Hence the composition of the Committee is as follows w.e.f 7th August 2020 :-

i.	Mr. Vivek Malik	: Independent Director	:	Chairman
ii.	Ms. Kanika Kapur	: Independent Director	:	Member
iii.	Mr. John Flintham	: Non-executive Director	:	Member

#### **b) The role of the committee shall, inter-alia, include the following:**

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

#### Terms of Reference:

##### a) Composition :

1. The Stakeholder Relationship Committee shall have minimum three directors as members.
2. At least one member shall be independent director.
3. Chairman of the Committee shall be a Non-Executive Director.

Hence the composition of the Committee is as follows w.e.f 7th August 2020 :-

- i. Vivek Malik – Independent Director – Chairperson
- ii. Sanjay Tiku – Executive Director– Member
- iii. Kanika Kapur – Independent Director – Member

##### b) Role & Function:

The Committee inter alia is empowered to approve issue of duplicate certificates and oversee and review all matters connected with the securities of the Company:-

- Transfer/transmission of shares
- Issue of new share certificates/duplicate share certificates
- Review of de-materialization/ re-materialization of shares
- All other matters relating to shares

The Committee shall also look into redressal of shareholders' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc.

The Committee shall oversee performance of the Registrar and Share Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services.

The Committee shall also monitor the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading Regulations), 1992 and other SEBI Guidelines as applicable.

The Board has delegated the power of signing the Share Certificates as Authorised Signatory for transfer of securities to the Company Secretary.

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